

Message Text

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INFO ALL CONSULATES IN MEXICO VIA POUCH

C O N F I D E N T I A L MEXICO 6463

E. O. 11652: GDS

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SUBJECT: PRESIDENT ECHEVERRIA INTEREST IN PRIVATE NEWSPAPER CHAIN

1. FOR ABOUT A YEAR, RUMORS HAVE CIRCULATED HERE THAT PRESIDENT ECHEVERRIA WAS ACQUIRING AN INTEREST IN THE MEXICO CITY DAILY EL UNIVERSAL. MOST RELIABLE SOURCE OF THIS INFORMATION WAS JOSE PAGES LLERGO, DIRECTOR OF SIEMPRE MAGAZINE, WHO TOLD EMBASSY PRESS OFFICER IN APRIL THAT THE PRESIDENT NOW CONTROLLED ABOUT 55 PERCENT OF EL UNIVERSAL. EL UNIVERSAL FOR MANY YEARS HAS BEEN A MARGINAL ENTERPRISE ECONOMICALLY BUT BEGAN LAST YEAR MAKING SUBSTANTIAL INVESTMENTS TO MODERNIZE AND UPDATE ITS EQUIPMENT; GOM LOANS PROVIDED SOME 5.2 MILLION DOLLARS FOR THE RENOVATION. RECENT INAUGURATION OF THE NEWLY INSTALLED EQUIPMENT WAS ATTENDED BY THE PRESIDENT.

2. ON APRIL 14 OF THIS YEAR EL SOL DE MEXICO, A MEIXOC CITY DAILY, WHICH IN DECEMBER 1973 HAD BEEN TAKEN OVER BY GOM HOLDING COMPANY SOMEX, ANNOUNCED THAT IT AND 32 REGIONAL PAPERS ASSOCIATED WITH EL SOL HAD BEEN ACQUIRED BY EDITORIAL MEXICANA, S.A.(EMSA), A PRIVATE, AND APPARENTLY NEWLY FORMED, PUBLISHING FIRM.

3. ONE CONNECTION BETWEEN EMSA ACQUISITION OF EL SOL CHAIN AND EL UNIVERSAL IS THAT EL UNIVERSAL DIRECTOR, JUAN FRANCISCO EALY ORTIZ, IS PRESIDENT OF THE EMSA BOARD OF DIRECTORS. ANOTHER CONNECTION IS THAT THE EMSA

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TREASURER, MARIO VAZQUEZ RANA, ACCORDING TO PAGES LLERGO,

IS A DISTANT RELATIVE OF PRESIDENT ECHEVERRIA. PAGES WAS ALSO SOURCE OF INFORMATION THAT VAZQUEZ RANA "MASTERMINDED" THE FINANCIAL ASPECTS OF THE EMSA PURCHASE OF EL SOL. ACCORDING TO CONFIDENTIAL EMBASSY SOURCES, VAZQUEZ RANA IS "VERY CLOSE" TO ECHEVERRIA. (IN 1972 ECHEVERRIA APPARENTLY USED HIM AS A GO-BETWEEN WITH CUBAN GOVERNMENT ON BILATERAL MATTERS.) ADDRESSEES WILL RECALL THAT SIX BODYGUARDS OF VAZQUEZ RANA WERE SHOT AND KILLED MAY 6 OF THIS YEAR(WHETHER THIS IS PERTINENT TO SUBJECT IS, OF COURSE, PROBLEMATICAL).

4. THIS INFORMATION THAT THE PRESIDENT HAS A DIRECT INTEREST IN THE MODERNIZATION OF EL UNIVERSAL AND THE EMSA ACQUISITION OF THE EL SOL CHAIN IS SECOND HAND. HOWEVER, PAGES LLERGO, THE ACKNOWLEDGED "DEAN" OF MEXICAN JOURNALISM, IS CERTAINLY IN A POSITION TO BE PRIVY TO NEWSPAPER WORLD GOSSIP. ANOTHER SOURCE OF THE SAME INFORMATION IS A COSTA RICAN EMPLOYEE OF EL SOL, WHO SAID THE PRESIDENT HAS A CONTROLLING INTEREST IN EMSA. THAT EL UNIVERSAL, A FINANCIALLY WEAK ENTERPRISE, OBTAINED GOM FINANCING FOR ITS MODERNIZATION MIGHT(BUT NOT NECESSARILY) INDICATE PRESIDENTIAL INTEREST. ANOTHER PIECE OF CIRCUMSTANCIAL EVIDENCE IS THAT GOM (SOMEX) SOLD ITS CONTROLLING INTEREST IN THE EL SOL CHAIN TO PRIVATE ENTERPRISE, WITH NO FANFARE. OTHER NEWSPAPERS AND COMMENTATORS DISCREETLY IGNORED PURCHASE OF EL SOL. GOM UNDER ECHEVERRIA HAS NOT PREVIOUSLY SHOWN ANY INTEREST IN LETTING STATE OWNED COMPANIES GO TO PRIVATE FIRMS. IF PRESIDENT HAD AN INTEREST IN THE TRANSACTION, WHY THE SALE WAS TREATED IN LOW KEY MANNER BECOMES READILY UNDERSTANDABLE.

5. PERHAPS UNRELATED TO ANY OF THE ABOVE ARE TWO ADDITIONAL RUMORS. ONE HAS IT THAT A "CENTER OF COMMUNICATIONS" HAS BEEN CREATED WITHIN THE SECRETARIAT OF TREASURY TO ACT AS A GOM CLEARING HOUSE FOR INFORMATION. SOME PRESS SOURCES HAVE SAID, HOWEVER, THAT THE NEW CENTER WILL ACT AS A CENTRAL BUREAU OF CENSORSHIP. ANOTHER IS THAT THE MIGUEL ALEMAN OWNED "TELEVISA" NETWORK OF TELEVISION STATIONS IS UNDER HEAVY GOM PRESS-CONFIDENTIAL

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SURE TO SELL A SUBSTANTIAL PORTION OF ITS ASSETS. TELEVISA SOURCES RELATED THIS PRESSURE TO PUBLIC CRITICISM IN MARCH (PARTICULARLY FROM MEXICO CITY DAILY EXCELSIOR) OF HEAVY CONTENT OF VIOLENCE IN PRIVATELY OWNED MEXICAN TELEVISION.

6. ASSUMING THAT INFORMATION IN PARAS 1-4 ABOVE IS SUBSTANTIALLY TRUE, IT WOULD APPEAR THAT EMSA IS A FRONT

ORGANIZATION FOR THE PRESIDENT AND THAT THE EL SOL
CHAIN AND EL UNIVERSAL WILL PROVIDE HIM A USEFUL DEVICE
FOR GIVING PUBLIC VOICE TO HIS VIEWS AFTER HE LEAVES THE
PRESIDENCY, IN MUCH THE SAME WAY THAT MIGUEL ALEMAN HAS
UTILIZED TELEVISA IN RECENT YEARS.

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